

# House File 644 - Introduced

HOUSE FILE 644

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 510)

(SUCCESSOR TO HSB 133)

## A BILL FOR

1 An Act relating to enhanced E911 emergency communication  
2 systems, and providing penalties.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 34A.7, subsection 1, paragraph a, Code  
2 2013, is amended by striking the paragraph and inserting in  
3 lieu thereof the following:

4 a. To encourage local implementation of E911 service, one  
5 source of funding for E911 emergency communication systems  
6 shall come from a surcharge per month, per access line on each  
7 access line subscriber, of one dollar.

8 Sec. 2. Section 34A.7, subsection 1, paragraph b,  
9 subparagraph (1), Code 2013, is amended to read as follows:

10 (1) The program manager shall notify a local exchange  
11 service provider scheduled to provide exchange access line  
12 service to an E911 service area that implementation of an E911  
13 service plan has been approved by the joint E911 service board  
14 ~~and by the service area referendum~~ and that collection of the  
15 surcharge is to begin within sixty days.

16 Sec. 3. Section 34A.7, subsection 5, Code 2013, is amended  
17 to read as follows:

18 5. *Use of moneys in fund — priority and limitations on*  
19 *expenditure.*

20 a. Moneys deposited in the E911 service fund shall be  
21 used for the repayment of any bonds issued for the benefit  
22 of or loan made to the joint E911 service board pursuant to  
23 sections 34A.20 through 34A.22, and as long as any such bond  
24 or loan remains unpaid the surcharge shall not be reduced or  
25 eliminated. Moneys deposited in the fund shall be subject to  
26 such terms and conditions as may be contained in the relevant  
27 bond documents, trust indenture, resolution, loan agreement, or  
28 other instrument pursuant to which bonds are issued or a loan  
29 is made, without regard to any limitation otherwise provided  
30 by law. ~~The surcharge may be increased, but shall not exceed~~  
31 ~~the maximum allowed in subsection 1, upon approval of the~~  
32 ~~authority upon such terms and conditions as may be contained~~  
33 ~~in the relevant bond documents, trust indenture, resolution,~~  
34 ~~loan agreement, or other instrument pursuant to which bonds are~~  
35 ~~issued or a loan is made, as deemed necessary or prudent by the~~

1 ~~authority to secure repayment and assure marketability or a~~  
2 ~~reasonable interest rate.~~

3     b. Moneys deposited in the E911 service fund shall be used  
4 for the following, in order of priority if paragraph "a" does  
5 not apply:

6     (1) Money shall first be spent for actual recurring costs of  
7 operating the E911 service plan.

8     (2) If money remains in the fund after fully paying for  
9 recurring costs incurred in the preceding year, the remainder  
10 may be spent to pay for nonrecurring costs, not to exceed  
11 actual nonrecurring costs as approved by the program manager.

12     (3) If money remains in the fund after fully paying  
13 obligations under subparagraphs (1) and (2), the remainder may  
14 be accumulated in the fund as a carryover operating surplus.  
15 ~~If the surplus is greater than twenty-five percent of the~~  
16 ~~approved annual operating budget for the next year, the program~~  
17 ~~manager shall reduce the surcharge by an amount calculated to~~  
18 ~~result in a surplus of no more than twenty-five percent of the~~  
19 ~~planned annual operating budget. After nonrecurring costs have~~  
20 ~~been paid, if the surcharge is less than the maximum allowed~~  
21 ~~and the fund surplus is less than twenty-five percent of the~~  
22 ~~approved annual operating budget, the program manager shall,~~  
23 ~~upon application of the joint E911 service board, increase the~~  
24 ~~surcharge in an amount calculated to result in a surplus of~~  
25 ~~twenty-five percent of the approved annual operating budget.~~  
26 ~~The surcharge may only be adjusted once in a single year, upon~~  
27 ~~sixty days' prior notice to the provider.~~

28     Sec. 4. Section 34A.7, subsection 7, Code 2013, is amended  
29 by striking the subsection.

30     Sec. 5. Section 34A.7A, subsection 1, paragraphs a and b,  
31 Code 2013, are amended to read as follows:

32     a. ~~Notwithstanding section 34A.6, the~~ The administrator  
33 shall adopt by rule a monthly surcharge of ~~up to sixty-five~~  
34 ~~cents~~ one dollar to be imposed on each communications service  
35 number provided in this state. The surcharge shall be

1 imposed uniformly on a statewide basis and simultaneously  
2 on all communications service numbers as provided by rule  
3 of the administrator. The surcharge shall not be imposed  
4 on wire-line-based communications or prepaid wireless  
5 telecommunications service.

6     *b.* The program manager shall provide no less than  
7 sixty days' notice of the surcharge to be imposed to each  
8 communications service provider. ~~The program manager, subject~~  
9 ~~to the sixty-five cent limit in paragraph "a", may adjust the~~  
10 ~~amount of the surcharge as necessary, but no more than once in~~  
11 ~~any calendar year.~~

12     Sec. 6. Section 34A.7A, subsection 2, Code 2013, is amended  
13 by adding the following new paragraph:

14     NEW PARAGRAPH. *Ob.* The program manager shall allocate  
15 thirteen percent of the total amount of surcharge generated  
16 to wireless carriers to recover their costs to deliver E911  
17 phase 1 services. If the allocation in this paragraph is  
18 insufficient to reimburse all wireless carriers for such  
19 carrier's eligible expenses, the program manager shall allocate  
20 a prorated amount to each wireless carrier equal to the  
21 percentage of such carrier's eligible expenses as compared to  
22 the total of all eligible expenses for all wireless carriers  
23 for the calendar quarter during which such expenses were  
24 submitted. When prorated expenses are paid, the remaining  
25 unpaid expenses shall no longer be eligible for payment under  
26 this paragraph.

27     Sec. 7. Section 34A.7A, subsection 2, paragraph e, Code  
28 2013, is amended to read as follows:

29     *e.* If moneys remain in the fund after fully paying all  
30 obligations under paragraphs "*a*" ~~through~~, "*Ob*", "*b*", "*c*",  
31 and "*d*", the remainder may be accumulated in the fund as a  
32 carryover operating surplus. This surplus shall be used  
33 to fund future network and public safety answering point  
34 improvements, including hardware and software for an internet  
35 protocol-enabled next generation network, and wireless

1 carriers' transport costs related to wireless E911 services, if  
2 those costs are not otherwise recovered by wireless carriers  
3 through customer billing or other sources and approved by the  
4 program manager in consultation with the E911 communications  
5 council. Notwithstanding section 8.33, any moneys remaining  
6 in the fund at the end of each fiscal year shall not revert to  
7 the general fund of the state but shall remain available for  
8 the purposes of the fund.

9 Sec. 8. Section 34A.7A, Code 2013, is amended by adding the  
10 following new subsection:

11 NEW SUBSECTION. 5. *a.* The program manager, in consultation  
12 with the E911 communications council and the auditor of state,  
13 shall establish a methodology for determining and collecting  
14 comprehensive public safety answering point cost and expense  
15 data through the county joint E911 service boards. The  
16 methodology shall include the collection of data for all costs  
17 and expenses related to the operation of a public safety  
18 answering point and account for the extent to which identified  
19 costs and expenses are compensated for or addressed through  
20 E911 surcharges versus other sources of funding.

21 *b.* Data collection pursuant to paragraph "a" shall commence  
22 no later than January 1, 2014, and shall be subject to an audit  
23 by the auditor of state beginning July 1, 2014. The program  
24 manager shall prepare a report detailing the methodology  
25 developed and the data collected after such data has been  
26 collected for a two-year period. The report and the results of  
27 the initial audit shall be submitted to the general assembly by  
28 March 1, 2016. A new report regarding data collection and the  
29 results of an ongoing audit for each successive two-year period  
30 shall be submitted by March 1 every two years thereafter.  
31 Expenses associated with the audit shall be paid to the  
32 auditor of state by the program manager from the E911 emergency  
33 communications fund established in section 34A.7A.

34 *c.* A county joint E911 service board which fails to submit  
35 expenses and costs pursuant to the methodology developed

1 pursuant to paragraph "a" by March 31 of each year shall be  
 2 allocated sixty-five cents out of the one dollar emergency  
 3 communications service surcharge until March 31 of the  
 4 following year. Remaining funds shall be held in the carryover  
 5 operating surplus fund until the expenses and cost report is  
 6 submitted by the county joint E911 service board. If the  
 7 county joint E911 service board submits the expense and cost  
 8 report before March 30 of the following year, the set aside  
 9 funds shall be provided to the county joint E911 service board.  
 10 If the county joint E911 service board fails to submit the  
 11 expense and cost report within one year, funds shall revert to  
 12 the carryover operating surplus fund and be used in accordance  
 13 with section 34A.7A, subsection 2, paragraph "e".

14 Sec. 9. REPEAL. Sections 34A.6 and 34A.6A, Code 2013, are  
 15 repealed.

16 Sec. 10. E911 EMERGENCY COMMUNICATION SYSTEMS —  
 17 EFFICIENCIES STUDY. The homeland security and emergency  
 18 management division of the department of public defense shall  
 19 conduct a study to identify areas in which efficiencies of  
 20 operations and expenses could be achieved with regard to E911  
 21 emergency communication systems at both the state and local  
 22 level. The division shall submit a report containing the  
 23 results of the study to the general assembly by July 1, 2014.

24 EXPLANATION

25 This bill modifies provisions applicable to the  
 26 administration and funding of enhanced E911 emergency  
 27 communication systems.

28 The bill eliminates existing voter referendum requirements  
 29 regarding imposition of the local wire-line E911 service  
 30 surcharge and the alternative surcharge applicable to wire-line  
 31 communications contained in Code sections 34A.6 and 34A.6A,  
 32 respectively. The bill replaces current provisions authorizing  
 33 imposition of the wire-line E911 service surcharge in an amount  
 34 up to \$1 per access line with a requirement that the surcharge  
 35 be imposed at the \$1 level. The bill increases the level of

1 the emergency communications service surcharge from the current  
2 level of up to 65 cents per communications service number to  
3 \$1 per service number.

4 The bill reinstates provisions authorizing wireless carriers  
5 to recover their E911 service delivery costs which were  
6 eliminated during the 2012 legislative session. However, the  
7 bill specifies that the program manager shall allocate 13  
8 percent of the total amount of emergency communications service  
9 surcharge revenue for such cost recovery. Further, the bill  
10 requires the E911 program manager to consult with the E911  
11 communications council regarding how revenue accumulated in the  
12 emergency communications fund as carryover operating surplus  
13 shall be allocated. Currently, this determination is made  
14 strictly with the approval of the program manager.

15 Additionally, the bill directs the program manager, in  
16 consultation with the council and the auditor of state,  
17 to establish a methodology for determining and collecting  
18 comprehensive public safety answering point cost and expense  
19 data through the county joint E911 service boards. The bill  
20 states that data collection shall commence no later than  
21 January 1, 2014, and that the program manager shall prepare a  
22 report detailing the methodology and the data collected after  
23 the data has been collected for two years. The report is  
24 required to be submitted to the general assembly by March 1,  
25 2016, and every two years thereafter. The bill also provides  
26 that the auditor of state shall perform an initial audit of  
27 the data collection beginning July 1, 2014, with the audit  
28 results submitted at the same time as the report. The audit  
29 shall continue on an ongoing basis and the results of the audit  
30 shall be submitted with the report every two years. The bill  
31 provides that a county joint E911 service board which fails  
32 to submit expenses and costs pursuant to the methodology by  
33 March 31 of each year shall be allocated 65 cents out of the  
34 \$1 emergency communications service surcharge until March 31  
35 of the following year. The remaining funds shall be held in

1 the carryover operating surplus fund until the expenses and  
2 cost report is submitted by the county joint E911 service  
3 board. Further, the bill provides that if the county joint  
4 E911 service board submits the expense report prior to March 30  
5 of the following year, the set aside funds shall be provided to  
6 the board, but if the board fails to submit the report within  
7 one year, the funds shall revert to the carryover operating  
8 surplus fund and be used in accordance with Code section  
9 34A.7A. That Code section states that carryover surplus  
10 funds shall be used to fund future network and public safety  
11 answering point improvements, including hardware and software  
12 for an internet protocol-enabled next generation network,  
13 and wireless carriers' transport costs related to wireless  
14 E911 services, if those costs are not otherwise recovered by  
15 wireless carriers through customer billing or other sources and  
16 approved by the program manager.

17 The bill requires the homeland security and emergency  
18 management division of the department of public defense  
19 to conduct a study to identify E911 operations and expense  
20 efficiencies, to be submitted in a report to the general  
21 assembly by July 1, 2014.